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Via ECF

The Honorable Denise L. Cote
United States District Court for the Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: *NCUA v. Morgan Stanley & Co.*, No. 13-cv-6705
NCUA v. Bear, Stearns & Co., No. 13-cv-6707
NCUA v. Wachovia Capital Markets LLC, No. 13-cv-6719
NCUA v. Goldman, Sachs & Co., No. 13-cv-6721
NCUA v. RBS Securities, LLC, No. 13-cv-6726
NCUA v. Barclays Capital Inc., No. 13-cv-6727
NCUA v. Residential Funding Securities, LLC, No. 13-cv-6730
NCUA v. UBS Securities, LLC, No. 13-cv-6731
NCUA v. Credit Suisse Securities (USA) LLC, No. 13-cv-6736

Dear Judge Cote:

I write on behalf of the National Credit Union Administration Board, as liquidating agent for Southwest and Members United Corporate Credit Unions (“NCUA”). NCUA is plaintiff in the above-referenced cases, which are currently pending before this Court. These cases involve the purchase of Residential Mortgage-Backed Securities (“RMBS”) by Southwest and Members United Corporate Credit Unions (the “Credit Unions”), which failed because their RMBS holdings plummeted in value. Pursuant to its statutory responsibilities, NCUA conserved and then liquidated these Credit Unions beginning in September 2010. All of NCUA’s claims before this Court pertain to RMBS purchased by the Credit Unions. Moreover, NCUA’s nine complaints advance claims under some or all of the following three statutes: (1) the Texas Securities Act, Tex. Rev. Civ. Stat. Ann. art. 581, § 33; (2) the Illinois Securities Law of 1953, 815 Ill. Comp. Stat. Ann. 5/12; and (3) the Securities Act of 1933 (“Securities Act”).

Because these cases raise common issues of law and fact, NCUA respectfully submits the following proposal in the interest of efficient case management. Defendants are likely to file motions to dismiss the complaints in these cases. NCUA proposes that the Court designate one of these nine cases as the lead case for the purposes of resolving any motion to dismiss. NCUA further proposes that the Court stay the time for filing any responsive pleading in the remaining

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eight cases until 20 days after the Court resolves the motion to dismiss in the lead case. Resolving the issues in the lead case will substantially reduce the briefing in each of the other cases, as it will resolve many of the common issues that Defendants can be expected to raise in these nine separate complaints.¹ This proposal mirrors this Court's approach in a series of actions brought by the Federal Housing Finance Agency ("FHFA"), where the Court established *FHFA v. UBS Americas, Inc.*, No. 11-cv-5201, as the lead case. *See, e.g.*, Order, *FHFA v. Morgan Stanley*, No. 11-cv-6739 (S.D.N.Y. Nov. 16, 2011).

Of the nine pending matters, the NCUA proposes that *Morgan Stanley* be designated as the lead case. *Morgan Stanley* involves claims under all three statutes at issue in these cases – both the Texas and Illinois blue sky laws as well as the Securities Act – and is otherwise representative of NCUA's other complaints. Designating *Morgan Stanley* as the lead case would therefore promote efficiency in adjudicating the issues raised in all of NCUA's complaints, an approach that will benefit the parties and this Court.

¹ In the *Residential Funding* matter, NCUA submitted a letter to the Court indicating that the parties contemplate a settlement, and on October 8, 2013, the Court stayed proceedings in *Residential Funding* until January 31, 2014.

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Respectfully submitted,

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cc: Counsel of Record (via ECF)